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4191-02U

SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA-2011-0068]

Social Security Rulings, SSR 91-1c and SSR 66-18c;

Rescission of Social Security Rulings (SSR) 66-18c and SSR 91-1c

AGENCY: Social Security Administration.

ACTION: Notice of Rescission of Social Security Rulings.

SUMMARY: In accordance with 20 CFR 402.35(b)(1), the Commissioner of Social Security gives notice of the rescission of Social Security Rulings (SSR) 66-18c and SSR 91-1c.

EFFECTIVE DATE: This rescission will be effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Joann S. Anderson, Office of Income Security Programs, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-6716 or TTY 410-966-5609, for information about this notice. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

SUPPLEMENTARY INFORMATION: SSRs make available to the public precedential decisions related to the Federal old age, disability, supplemental security income, special veterans' benefits, and black lung benefits programs. SSRs may be based on determinations or decisions made at all levels of administrative adjudication, Federal court decisions, Commissioner's decisions, opinions of the Office of the General Counsel, and other interpretations of the law and regulations.

We have historically presumed that corporate officers and self-employed individuals could report less than their actual earnings to avoid deductions from retirement benefits under the annual earnings test. Accordingly, we developed detailed procedures to question earnings reported by corporate officers and self-employed individuals during periods of alleged retirement. These procedures sometimes entailed extensive interviews regarding the nature and extent of the individual's business activities and the distribution of income within the company or corporation.

In 1966, we issued SSR 66-18c to reflect the district court's decision in Hellberg v. Celebrezze, 245 F.Supp. 390 (W.D. Mo. 1965), in which the court held that we have the authority to investigate the validity of a business transfer to determine its sufficiency for purposes of the annual earnings test. The court found that we could declare a transfer invalid for earnings test purposes, even though it is valid for other purposes under State law, if the former legal titleholder retains a beneficial interest in the business and continues to perform substantially similar services for the business after the transfer.

On February 5, 1991, we issued SSR 91-1c to reflect the decision of the United States Court of Appeals for the Eleventh Circuit in Martin v. Sullivan, 894 F.2d 1520 (11th Cir. 1990).

The court determined that we have the authority to investigate any business arrangements that appear to be for the purpose of qualifying for benefits or avoiding benefit deductions under the annual earnings test.

We recently decided to eliminate our current procedures for questioning corporate officers' and self-employed individuals' allegations of retirement. We have found that, over the long term, questioning retirement allegations has made no significant difference in Trust Fund outlays. By eliminating our questionable retirement procedures, we will reduce the public burden, save our scarce administrative resources, and increase the efficiency of the retirement determination process.

Since we are eliminating our current procedures for questioning corporate officers' and self-employed individuals' retirement allegations, the SSRs that relate to those procedures are no longer needed. Therefore, we are rescinding SSR 66-18c and SSR 91-1c as obsolete.

(Catalog of Federal Domestic Assistance Program Nos. 96.002, Social Security-Retirement Insurance, and 96.004 Social Security-Survivors Insurance)

Dated: October 27, 2011

Michael J. Astrue,
Commissioner of Social Security